<http://mitsloan.mit.edu/shared/ods/documents/High-Costs-of-Free-Online-Education.pdf&PubID=5082>

**MOOCS: A Disruptive Force?**

Cusumano (cusumano@mit.edu) is a professor at the MIT Sloan School of Management and School of Engineering. Over the past year, he notes that the presence of MOOCS have really taken off. Citing Coursera as a major player in the distribution of MOOCS, particularly through Ivy League Institutions, other institutions, such as second-and third-tier universities and colleges, may have difficulty keeping up with the hidden expectations of the MOOC.

What are the hidden expectations of MOOCs? There are still costs involved in the research and development of these courses. “Wealthy universities and colleges can subsidize their free or low-fee efforts from other revenue sources—students who pay tuition, donors who add to the endowment, or companies, governments, and foundations that fund research and education.” (p. 2) Cusumano states that although technology makes it possible to reach more students online than in a cost-based on-campus education, the growing trend of MOOCs, which are mostly free, may very well impair the mass of universities which impact economic development in their local regions and communities.

Because MOOCs offer virtually free education, the question of higher-education’s value arises. Cusumano references other sectors in technology that have succeeded and failed in playing in the ‘free market,’ such as The New York Times, who has had to backtrack in offering free news over the internet. In using “multi-sided markets,” successful companies who offer free products also have other products at cost. This balance is not always possible for the masses, though.

In considering Cusumano’s standpoint, I would question what universities can offer that a MOOC cannot, and how can they increase the perceived value of these ‘added’ benefits? Cusumano notes that dropout rates are about 90% for MOOC’s. Why is that? With the amount of money being invested in the development of MOOC courses, it seems as if MOOCs have no definable dollar-amount starting point, and just for 10% completion? I am just not sure that MOOCs will be a massive disruptive innovation. Even Cusumano notes that for Coursera, for example, which is supported by $33million in venture capital, their management team has yet to announce how it plans to make money and eventually repay investors.” (p.1)

As Cusumano purports, “free” does sends a signal that what you are offering may not be worth

paying for. Yet, this can be looked at in two different ways: The consumer generalizing this belief to all higher-education markets vs. just to MOOCs.

When considering the potential detriment that MOOCs could have on higher education, one must consider the actual consumer. I know several people who, although they use technology, just don’t thrive in an online environment. Period. Also, even from my own experience in participating in a MOOC, I know people (like myself) who need structure to an online class, and currently, MOOCs just don’t seem to provide this.

Also, let’s consider the changing job market for career changers. There are some who, because they are entering a new field, would feel more comfortable in a brick-and-mortar room. And who are these career changers? According to the National Center for Education Statistics, in recent years, the percentage of students age 25 and over has been larger than the percentage of younger students, with this pattern being expected to continue.

What defines this population? What characteristics and motives embody this class of students returning to school or beginning school for the first time? Most people continue to believe that you get what you pay for. These people returning or starting their academic careers want a tangible, financial, reward for their efforts, not a ‘badge.’ Like volunteer work in high school, I think that MOOCs provide a starting point for young students to get their ‘foot in the door’ to actual universities. It is a way of saying, ‘Hey, I’ve invested my ‘free’ time into an education; I will be a great asset to your university.’ However for those who aren’t going to get anything out of it, with no accountability for participation, why invest time in a course that doesn’t add to one’s bottom dollar?

In the end, MOOCs might play a part in enrollment if, for example, universities use MOOCs as a means to lure students in by offering basic level courses through this platform, with strings attached. Just as the boom and decline of the ‘free’ Polaroid camera, I see other forces at hand that are more ‘value-added’ for consumers than ‘free’ education. Besides, the internet is still not free, why should a good education be?

U.S. Department of Education, National Center for Education Statistics. (2012). *Digest of Education Statistics*), [Chapter 3](http://nces.ed.gov/programs/digest/d11/ch_3.asp) .

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